GENERAL POLICIES AND GUIDELINES IN THE IMPLEMENTATION OF THE INSURANCE COVERAGE PROGRAM FOR OVERSEAS CONTRACT WORKERS AND THEIR DEPENDENTS

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Pursuant to Department Order No. 21, series of 1995, ensuring the provision of an adequate life and personal accident insurance coverage for all overseas contract workers (OCWs) as required under POEA Rules and Regulations, the following guidelines are hereby issued:

I

INSURANCE SCHEME

As a means of delivery of services and benefits to OCWs, the insurance program shall be undertaken by OWWA as part of its programs and services to OCWs.

Pursuant to Board Resolution No. 25, series of 1995, OWWA shall adopt a self-insurance scheme in the implementation of the program. To safeguard its funds , OWWA shall insure its risks with the GSIS.

II

SCOPE OF COVERAGE

All departing Filipino overseas workers shall be provided by OWWA, at no cost to the workers, with mandatory life and personal accident insurance protection with the following minimum coverages:

1. The amount of life insurance coverages shall be at P50,000.00 minimum face value for Land-based workers and P25,000.00 minimum face value for Sea-based workers: Provided, however, that if death is due to accident, murder or assault, an equal amount of P50,000.00 for Land-based workers and P25,000.00 for Sea-based workers insurance coverage shall be due in addition to the amount of life insurance coverage. Except when death is due to enforcement of a judicial decision such as death by hanging for drug trafficking, etc. that the death of an OCW is not covered under the program.

2. Death due to suicide shall be compensable at P50,000.00 for Land-based workers and P25,000.00 for Sea-based workers minimum face value.

3. During the period of coverage, a funeral grant of Twenty Thousand (P20,000.00) Pesos shall be paid to help defray the cost of funeral expenses in the event of death. The said amount could still be granted to the beneficiaries even when the deceased OCW’s remains is buried or cremated abroad, lost at sea or presumed dead,

4. A covered OCW shall be entitled to a medical reimbursement benefit of up to Ten Thousand Pesos (P10,000.00) if he sustains an injury or illness as a result of his employment and upon submission of proof of the incident and the corresponding medical payment incurred thereto. Availment of this benefit could possibly be done more than one provided that the total availment shall not exceed P10,000.00. This benefit is over and above

what is due the worker under the Medicare Program.

5. Disability or dismemberment caused by accident , as well as those supervening but not immediately apparent at the time of the accident, if discovered within 90 days from the date of the accident, shall be compensable based on the following schedule of benefits.

Extent of Disability/Dismemberment:

COVERAGE

Land-Based Sea-based

1. Total and permanent disablement from engaging or attending to employment's or occupations of any kind and every kind

50,000

25,000

Total and permanent loss of sight in both eyes

50,000

25,000

Brain injury causing coma or insanity

50,000

25,000

Total and permanent loss of sight of one eye (except perception of light) or lens of one eye

25,000

12,500

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Temporary, partial disability (including cases due to insanity)

25,000

12,500

2. Total Loss by Physical Severance or Total and Permanent Loss or use of:

Both feet

50,000

25,000

Both hands

50,000

25,000

One hand and one foot

50,000

25,000

Either hand or foot and the sight of one eye

50,000

25,000

Arm at above the elbow

50,000

25,000

Arm below the elbow

12,500

6,500

One hand at wrist

12,500

6,500

Leg at or above the knee

12,500

6,500

Leg at or below the knee

12,500

6,500

One foot

12,500

6,500

Thumb and four fingers of one hand

12,500

6,500

Thumb

7,500

3,500

Index finger

5,000

2,500

Middle finger

5,000

2,500

Ring finger

5,000

2,500

Little finger

2,500

1,250

All toes of one foot

15,000

7,500

Great toe

5,000

2,500

Any other toe

2,500

1,250

3. Total and Permanent Loss of:

Speech

50,000

25,000

Hearing in both ears/two external ears

50,000

25,000

Hearing in one ear/one external ear

25,000

12,500

4. Loss of nose, penis, or testicles

25,000

12,500

Availment of the insurance benefit for disability or dismemberment of one organ shall not preclude availment for subsequent loss of another organ provided that in no case shall total availment under this section exceed Fifty Thousand Pesos (P50,000.00) for Land-based workers and Twenty Five Thousand Pesos (P25,000.00) for Sea-based workers.

III

Effectivity of Coverage

The minimum coverage shall take effect after payment of the OWWA contribution and shall be extended to all worksites abroad, on and off the job, for the duration of the worker's original contract plus sixty (60) days after the expiration and/or termination of the contract of employment: Provided that in no case shall the duration of the insurance coverage be for less than one year. Provided further that workers extending their contract beyond two(2) months shall be considered as recontracted/rehires. For this purpose, original contract shall refer to a

contract processed on or after August 1, 1995 in which the corresponding OWWA contribution was paid.

All OCWs, whether classified as new hires, or recontracted/rehires, are covered by this scheme, provided that they shall pay the OWWA contribution on a per contract basis. Other OCWs who availed themselves of the OWWA Voluntary Membership Program shall also be secured with the same coverage.

OCWs whose contract of employment was processed before August 1, 1995 shall also be covered by this issuance effective on the second (2nd) year of their contract and until its expiration and/or termination.

Other terms and conditions not specifically stated in these guidelines shall be in accordance with the Certificate of Insurance Coverage to be issued by OWWA.

IV

Implementing Units

The following units with their corresponding responsibilities shall actively be involved in this undertaking so as to prepare the Secretariat for the complete self-administration of this program.

1. Social Benefits Division (SBD-FSO):

In charge of processing beneficiaries' claims and in coordination with other concerned units, insures their release within 10 working days. Prepares disbursement vouchers for both payment of claims to the beneficiaries and payment of premium to the GSIS. Monitors the adequacy of the needed reserves for replenishment by the GSIS when necessary.

2. Membership Registry Division (MRD-IMSO):

Responsible in the generation of database which shall be used for verification of claims and serve as their basis in certifying masterlist for premium payment purposes.

3. Insurance and Disability Benefits Division (IDBD-PPO):

The Division will focus on program monitoring and evaluation and in the further development of the program in coordination with other concerned units.

4. Accounting Division (AD-IMSO):

Maintains a separate book of account for the program and the keeping of records pertaining thereto.

5. Collection Division (CD-IMSO);

Collects OWWA contributions and insures recording and safekeeping of the same. It shall establish the veracity of payment of OWWA contributions in favor of OCWs through the issuance of official receipts including those that are listed in the RFPs.

6. Disbursement Division (DD-IMSO):

Prepares checks of beneficiaries claims and premium payment to the GSIS and likewise release/remits the same.

7. Regional OWWA Units (ROUs);

ROUs shall be designated as OWWA collectors for OWWA contributions paid in favor of OCWs processed at the region. Relevant information requirement for the program shall immediately be prepared by them and together with the corresponding collection record as well as the OWWA contributions collected shall be transmitted to the

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Collection Division for appropriate action of concerned units involved in the program. ROUs shall also endorse to the SBD all insurance claims emanating from the regions. STcADa

8. Migrant Workers and other Overseas Filipinos Resource Centers (MWOFC):

OWWA Welfare Officers shall be designated as OWWA collectors for workers availing of the OWWA Voluntary Membership Program and payment of OWWA contributions abroad on a per contract basis. Relevant information requirement for the program shall immediately be prepared by them and together with the corresponding collection record as well as the OWWA contributions collected shall be transmitted to the Collection Division for appropriate action of concerned units involved in the program.

V

Financial Management

An amount equal to P165.00 and P87.50 shall be appropriated from Land-based and Sea-based OWWA contributions respectively. These proceeds shall constitute the Claims and Premiums Reserve Fund which shall be applied for payment of claims for the assumed 10% risk to the beneficiaries and premiums to the GSIS for insuring 90% risk of OWWA.

OWWA shall set aside an initial amount of P3,000,000.00 to cover expected claims to be incurred for the second year of contract of OCWs processed between August 1, 1994 to July 31, 1995.

A Trust Liability Account (TLA) shall be maintained for the revolving fund to be provided by the GSIS to OWWA. Initially a seed money amounting to P4,000.000,00 shall be provided by the GSIS. The said revolving fund shall be subject to replenishment by the GSIS as it reaches the twenty five percent (25%) balance level. It shall exclusively be applied for payment of claims which the GSIS is liable under the program. Payment of claims shall be approved by both OWWA and GSIS.

VI

Billing

OWWA shall provide GSIS duly certified material data of every OCW to be insured every fifteen days which shall serve as the basis for the billing and issuance of the statement of account. These data shall be sourced from the proof of payment of OWWA contribution.

For coverage of its risk, OWWA has to pay GSIS P148.50. and P78.75 for every Land-based and Sea-based worker respectively, within seven (7) working days upon submission of its billing.

VII

Experience Refund

At the end of its policy year, GSIS shall provide the OWWA an experience refund with the formula computed as follows:

a. If Losses is less than 20% of the Total Annual Premium Paid by OWWA to GSIS, Experience Refund will be 15% x Difference

b. If Losses is between 21% - 30% of the Total Annual Premium paid by OWWA to GSIS , Experience Refund will be 10% x Difference

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c. If Losses is between 31%-49% of the Total Annual Premium paid by OWWA to GSIS, Experience Refund will be 7.5% x Difference aSTAcH

Total Annual Losses is equivalent to the total annual amount of claims paid under the program while the Difference is equal to the Total Annual Premium paid by OWWA to GSIS minus Total Annual Losses

VIII

Servicing of Claims for Benefits

In case of death or accident , beneficiaries or claimants are required to report personally to the Social Benefits Division (SBD) or to the nearest Regional OWWA Unit (ROU) and should submit the following documents whenever applicable:

a. Certificate of Insurance Coverage

b. Death certificate of the deceased migrant worker;

c. Birth or marriage certificate of the beneficiary/beneficiaries whichever is applicable;

d. Medical certificate or report on the cause of disability/injury or sickness issued by the attending physician in place where the disability was sustained. In the event that the already mentioned requirement is not available, medical certificate issued by government hospital doctors must be secured. ; (Note: The existing schedule of benefits of the OWWA regular disability assistance program shall initially serve as the basis of compensation to be given under the medical reimbursement benefit portion of this program) and

e. Notice or information, sent by the Philippine Embassy/Consulate or Consular Agent or the employer to the local agent, POEA or OWWA on the death or disability of the OCW.

IX

Issuance of Insurance Certificate of Coverage

Upon payment of the regular OWWA contribution as stated in the preceding section, the migrant worker shall be given a copy of Certificate of Insurance Coverage (CIC) by OWWA setting forth the benefits provided in this MOI.

X

Action on Claims

The OWWA shall act on claims within ten (10) working days from submission of the death certificate or medical certificate showing the extent of disability or dismemberment.

XI

Effectivity

The effectivity of insurance coverage referred to in this MOI shall commence on August 1, 1995.

Adopted: 01 August 1995

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